

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE ATMOS ENERGY)	
CORPORATION, THROUGH ITS DIVISION,)	
WESTERN KENTUCKY GAS COMPANY, OF)	
OWENSBORO, KENTUCKY, FOR AN ORDER)	CASE NO. 91-275
AUTHORIZING THE ISSUANCE OF)	
\$20,000,000 OF UNSECURED SENIOR)	
NOTES DUE 2006)	

O R D E R

On August 7, 1991, Atmos Energy Corporation ("Atmos"), through its division, Western Kentucky Gas Company ("Western"), filed an application requesting authority to issue and sell long-term debt in the form of unsecured senior notes in the aggregate principal amount of \$20,000,000 due in the year 2006. The interest rate applicable to the notes would be less than the current 10.31 percent weighted average cost of long-term debt. The notes are to be sold to The Variable Annuity Life Insurance Company, a Texas company. The proceeds would be used to retire short-term debt. To the extent the proceeds exceed the amount of outstanding short-term debt, the balance would be used for general corporate purposes.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance and sale by Atmos of \$20,000,000 of unsecured senior notes due 2006 are for the lawful objects within the corporate purposes of its utility operations, are necessary and appropriate for and

consistent with the proper performance by the utility of its service to the public, and are reasonably necessary and appropriate for such purposes and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Atmos be and it hereby is authorized to issue and sell \$20,000,000 in unsecured senior notes at interest not to exceed 10.31 percent within the parameters set forth in its application.

2. Atmos shall agree only to such terms and prices that are consistent with said parameters as set out in its application.

3. Atmos shall, within 30 days after the issuance of the securities referred to herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts or commissions or other compensation, involved in the issuance and distribution.

4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 26th day of September, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director